

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Public Services - Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada - Departmental proceedings under Rule 20 of the Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 - Articles of Charges - Issued.

LABOUR, FACTORIES, BOILERS AND IMS (IMS&VIG) DEPARTMENT

G.O.Rt.No.175

Dated:11.05.2022
Read the Following:

- 1.From the DG, (V&E) & E.O. Prl. Secy. to Govt. VR.No.1,(C.No.2982/ V&E/ Sec.II/ D2/2019-1&2&836/V&E/Sec.II/D2/2019-1) Dt.03.01.2020.
- 2.From the Director of Insurance Medical Services, A.P., Vijayawada Lr.Rc.No.1625923/SM/DIMS/2022, dated:15.03.2022

ORDER

It is proposed to hold an inquiry against Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed Statement of Articles of Charges (Annexure-I). A statement of imputations of misconduct or misbehavior on which action is proposed to be taken against him is enclosed (Annexure-II). A list of documents by which and alist of witnesses by whom the Articles of charges are proposed to be sustained are also enclosed (Annexure- III&IV).

3. Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada is directed to submit his written statement of defense within 10 days from the date of receipt of this Government Order a written statement of his defence and also to state whether he desires to be heard in person.

4. Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada is further informed that an inquiry will be held only in respect of those articles of charges are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada is further informed that if he does not submit his written statement of defense on or before the date specified in Para-3 above or does not appear in person before the Inquiry Authority or otherwise fails or refuses to comply with the provisions of Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991 or the orders/directions issued in pursuance of the said rules, the inquiring authority may hold the inquiry against him exparte.

6. Attention of Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada is invited to rule 24 of the A.P. Civil Services (Conduct) Rules, 1964 under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to furtherance of his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another persons in respect of any matter dealt with these proceedings, it will be presumed that he is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule 24 of the A.P. Civil Services (Conduct) Rules, 1964.

7. Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada is specifically informed, that this order does not preclude the disciplinary authority to frame fresh charges, if any other irregularities are noticed during the course of disciplinary action.

(P.T.O)

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8. The receipt of this Government Order shall be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To

Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada through the Director, Insurance Medical Services, Andhra Pradesh, Vijayawada.

Copy to:

The Director, Insurance Medical Services, Andhra Pradesh, Vijayawada with a request to serve the Articles of charge on the individual and furnish the dated ACK. of served copy for record.

//FORWARDED::BY ORDER//

K. Vijaya Kumar
SECTION OFFICER

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ANNEXURE - I

Statement of Article of Charges framed against Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada.

That the said Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada while working in O/o DIMS from 2017 to 2019, had committed the grave misconduct and irregularities as mentioned in the article of charges.

Article of Charge -1

That Sri A. Krupakanth while working in O/o DIMS failed to follow the due procedure in purchase of furniture and other equipment and failed to maintain note files and comparative statements.

Article of Charge -2

That Sri A. Krupakanth while working in O/o DIMS failed to follow the due procedure in purchase of Biometric machines and server system i.e., maintaining note file, preparing Comparative statement for the quotations received and issued proceedings for payment to M/s.Prodigy Computers & Laptops.

Article of Charge -3

That Sri A. Krupakanth while working in O/o DIMS Processed the file for purchase of 100 Biometric machines and three servers worth Rs.73,65,035/- from M/s. Prodigy Computers & Laptops on limited quotation without calling for open tenders by way of e-procurement and without any specifications at exorbitant rates than the rate fixed by the Govt. (Rs. 10,266/- for high end unit). The work order was finalized without any comparative statements basing on fabricated quotations.

By his above mentioned acts, he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) rules, 1964.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumar
SECTION OFFICER

ANNEXURE - II

Statement of imputations of misconduct and irregularities in support of Article of Charges framed against Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada.

The Vigilance & Enforcement officials have enquired regarding the misappropriation in the Directorate of Insurance Medical Services, Andhra Pradesh, Vijayawada in procurement of Drugs, Medical Equipment, Biometric Machines, Furniture, engaging the services of call center and ECG Test through M/s. Tale Health Services and establishment of Sewage Treatment plants at 03 Hospitals and one Diagnostic Center through M/s. Jalam Environmental Pvt Ltd., during the tenure of previous three I/c. Directors of Insurance Medical Services i.e., Dr. B. Ravi Kumar (01-11-2014 to 05-07-2016), Dr. C.K. Ramesh Kumar (06-07-2016 to 01-11-2017) and Dr. G. Vijaya Kumar (02-11-2017 to 07-05-2019) and submitted report to the Government. The following are the lapses, irregularities noticed during the enquiry.

1. The furniture was purchased by violating G.O.Ms. No. 258, Finance (TFR) Department Dt. 20.09.2013, G.O.Ms. No. 2 Finance (Works & Projects-F7) Department Dt. 03.02.2014 and G.O.Ms. No. 40 Finance (TFR) Department Dt. 14.02.2014. As per G.O., purchase of all material / articles / goods / products / works / services etc., shall be procured through e-Procurement, where the cost is more than Rs. 1.00 Lakh.

During the period between 2014-15 to 2018-19, Rs.6.62 Cr. worth Furniture was purchased. Purchased huge value of furniture from the following firms without going for open tenders by way of e-Procurement and paid exorbitant rates.

Sl. No.	Name of the Firm	Amount (Rs. In lakhs)
1	Maruthi Health Care Services	119.25
2	S & S Enterprises	68.16
3	Sri Sai Surgiclas and Agencies	68.51
4	Maruthi Medi Needs	59.27
5	Technomed Systems	51.40
6	Abhiramee Medicals	87.13

The ESI Hospital, Visakhapatnam has been functioning in a dilapidated building and therefore, the ESI Corporation in consultation with the State Govt. has decided to shift the hospital into a new private building till ESIC provides a suitable building in place of the present dilapidated building. The Medical Superintendent has placed indent for furniture and medical equipment required in the new building along with the list of unserviceable articles. Instead of constituting a condemnation committee to condemn the unserviceable articles before finalising the list of furniture and medical equipment to be purchased, has directly placed the purchase orders and got them supplied at the old dilapidated building. Procured the same only on quotation basis from the single party in the month of August, 2017 for Rs.1.61 Cr. The building was shifted in the month of April, 2018 and till then, the new furniture was kept in the old building. Thus, the furniture and medical equipment was purchased without forecasting the actual time of need of the furniture and hospital equipment.

During enquiry, it is revealed that Rs.4.04 Cr. worth furniture were purchased during 2014-15 to 2018-19 from the firms outside the State in violation of G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010. The V&E officials obtained

quotations randomly from local market and when compared the prices with the purchase price of DIMS, paid 70% excess than the market value.

2. On verification of record, it is found that no note file was maintained and no comparative statement has been prepared. Procurement was done purely on limited quotation basis without following due procedure. No specifications of the products have been mentioned by M/s. Prodigy Computers and Laptops either in the quotation or in the invoice and the payment was made without verifying the specifications of the products.

3. On 19.06.2017, the then Chief Secretary to Govt., issued a U.O. Note No. GAD-111022/6/2017-AS-PU1-GAD-01 for installation of biometric attendance devices within two weeks. Basing on the above letter, on 28.06.2017, the then Secretary, LET&F Dept., directed all the HODs under his control including Director, IMS to install the biometric system vide Memo No.642724/1ab.II/A3/2017. On 14.07.2017, the then Secretary to Govt. (Pol) issued U.O. Note No.11022/6/PU-A /2017-7 and directed all Department Secretaries HODs to install the biometric attendance devices and also directed to purchase the devices as per the procedure either from APTS, DGS&D or any other process. The list of suitable biometric devices enclosed to the U.O. Note. Basing on the above letter, the then Secretary, LET&F Dept., directed all the HODs including Director, IMS to install the biometric system vide Memo No.684281/Lab.II/A3/2017, Dt.25.07.2017.

On 11.09.2017, purchased 100 biometric machines (MANTRA T68) for ESI Dispensaries, Hospitals & Diagnostic centers and paid Rs. 70,670/- per each biometric machine including GST to M/s. Prodigy Computers and Laptops, Hyderabad without going for e-Procurement and payments were made without entering into MoU or Agreement.

M/s. Prodigy Computers and Laptops, Hyderabad supplied devices @ Rs.70,670/- per unit including GST, whereas the Govt. fixed the cost of low end unit @ Rs.8,496/- and cost of high end @ Rs.10,266/- including taxes vide Lr. No. APTS/HWP/N/AEBAS-RC/2017 Dt. 03.11.2017. On perusal of quotation of M/s. Prodigy Computers and Laptops, it is found that the firm has quoted the price of GPS based Biometric machine including device installation and maintenance. But, on perusal of purchase order issued by DIMS, nowhere they have mentioned installation and maintenance charges, but issued purchase order only for GPS based Biometric machine. On verification of the quotation in the file, the handwriting on the covers of quotations purportedly submitted by different firms is one and the same. During enquiry, on examination, Proprietor of M/s. Prodigy Computers & Laptops admitted that he himself submitted quotations of remaining firms viz., M/s. Hyma Associates, M/s. Arudra Networks, M/s. I Smith Tech Soft Pvt., Ltd., and M/s. Sharp Computers along with his quotation. The Director & staff of IMS connived with the Proprietor of M/s. Prodigy Computers & Laptops and fabricated the quotations to avoid competitive bidding.

G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010 specifies that Govt. Depts., should not buy any of their requirements from outside the state, if they are manufactured and available within the state. The Treasury authorities are requested not to admit the Bills for the orders placed in violation of the orders issued in G.O.Ms.No.1020 Ind. & Corn.(SSI) Dept., Dt:30-11-1976 read with Govt. Memo.No.1541/SSI-A2/93-6 Ind. & Corn. (SSI) Dept., dt:27-5-1994.

M/s. Prodigy Computers & Laptops Pvt., Ltd., secured 100 CUG Airtel SIMs in the name of M/s. Cyber Automobiles Pvt., Ltd., and utilised them for GPS services. Thus, the firm secured 100 CUG Airtel SIMs in the name of another firm instead of in its name and the Director has paid the amount without verifying the same. On examination, the proprietor of M/s. Prodigy Computers & Laptops stated that an

amount of Rs.5.00 Lakhs cash as bribe and supplied 02 Laptops,02 tabs and 02 printers as gratification to Director, Dr. G. Vijaya Kumar. Further, he stated that he incurred an amount of Rs.48,748/- per unit (Rs.29,500/- purchase price including GST, Rs4,248/- SIM charges, Rs.1,100/- Battery, Rs.8,000/- towards Installation Charges and Rs.5,900/-margin of 20%).

Purchased each unit of GPS based biometric device (MANTRA T68) Rs. 70,670/- including GST. The APTS fixed the price of high end mode of Aadhar Enabled Biometric machine @ Rs.10,266/- including taxes. During enquiry, obtained a quotation from MANTRA Soft Tech (India) Pvt., Ltd., for GPS based biometric device having similar specifications of the device supplied by M/s. Prodigy Computers & Laptops. As per that quotation, the cost of device including GST is Rs.16,992/-.

The following table shows the cost variation (wrongful loss) between the device supplied by M/s. Prodigy Computers & Laptops and M/s. Mantra Soft Tech (India) Pvt Ltd.,

No. of units	Total value including GST for the devices supplied by M/s. Prodigy Computers & Laptops	Total value including GST as per quotation of M/s. Mantra Soft Tech (India) Pvt., Ltd.,	Difference
100	Rs. 70,67,000/-	Rs. 16,99,200/-	Rs. 53,67,800/-

From this, it is evident that he has exhibited lack of integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) rules,1964.

Hence, the charges.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

G. Vijaya Kumar
SECTION OFFICER

ANNEXURE - III

List of documents on the basis of which the Article of Charges framed against Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada.

1. G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013.
2. G.O.Ms.No.2, Finance (Works & Projects-F7) Department, Dt.03.02.14.
3. G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014.
4. G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010
5. G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept.
6. Circular No.13/CDS/2014, Dt.31.05.2016 of the Director, Insurance Medical Services
7. Purchase procedure guidelines of ESIC vide LR.NO.U-16/52/2001/MED-III (AP), dt.22.11.2016.
8. Article 3 and 4 of Andhra Pradesh Financial Code.
9. Appendix I of part 3 of Andhra Pradesh Budget Code.
10. Lr.No.APTS/HWP/N/AEBAS-RC/2017 Dt. 03.11.2017 of the MD, APTS addressed to the Principal Secretary to Govt. ITE&C Dept
11. Vigilance Report No. 01 (C.No. 2982/V&E/Sec-II/D2/2019-1,2& 836/DG/V&E/Sec-II/D2/2019) Dt. 03.01.2020 of the Director General (V&E) & E.O. Prl. Secretary to Government, General Administration (Vigilance & Enforcement) Department.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

J. K. Vijaya Kumar
SECTION OFFICER

ANNEXURE - IV

List of witness by whom the Article of Charges framed against Sri A. Krupakanth, Senior Assistant, O/o DIMS, Vijayawada the then Junior Assistant (CDS-2 & e-procurement) O/o DIMS, Vijayawada.

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G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

[Signature]
SECTION OFFICER